

MANAGEMENT MESSAGE

President and
Representative Director
Yoshiya Nishi

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Changing the style of the business with a commitment to social impact, profit, and enjoyment

My name is Yoshiya Nishi. I became the President and Representative Director in July 2024. Since 2000, three consecutive people that joined the company as new graduates have held the top position at the INTAGE Group. I am the first president who came from an acquired company. In this sense, my background may be unprecedented in our history. I formerly belonged to a small company that I established with my colleagues. Since it was acquired by the INTAGE Group, I have been consistently committed to taking on challenges, aiming to achieve things that the small company couldn't achieve and do a job which will impact society by using the wealth of resources and capital of the INTAGE Group. I am very excited to accept this big role at a time when consumers' lifestyles are becoming more diverse and society is about to undergo major change.

Management emphasizing diversity and harnessing individuality

I spent my early childhood in the United States and returned to Japan at the age of nine unable to speak Japanese at all. What bewildered me more at that time than the language barrier was the cultural difference. Unlike education in Japan, which reinforces homogeneity, education in the United States was oriented to harnessing individuality based on the idea that you should increase the things you are good at because everyone was born different. I vividly remember that I was shocked by this difference as a young child. My underlying ideas are that individuality should be harnessed and that people are good in different ways. I learned this in the United States. As the manager leading the Group, I will pursue a management style in which we leverage people's individuality so that they will achieve personal development, and consequently, the entire company will achieve growth. Emphasizing diversity is my first commitment.

Shifting to management that is committed to profit

Another thing I have continued to be committed to is profit. I was also committed to profit when I was the president of a Group company. This does not mean making profit by

significantly reducing costs. I am committed to providing great value and receiving appropriate compensation that measures up to the value we provide. The competition in our industry is intense. If you focus on immediate profit, you tend to offer a price which is lower than the value you provide. We are confident about our services and are strongly committed to the quality of our services. On the other hand, I feel that our commitment to prices has been weak. Profit will differ completely depending on whether we are aware of the value we provide and the appropriate price for that value. We will shift to management that has a greater commitment to profit than it had previously.

Becoming a company which impacts society in good ways.

We are one of the companies with the greatest amount of information (data) that can be used for marketing in Japan. We can use our ideas and knowledge to turn this information into great value. Data-driven management used to formulate strategies and make decisions is based on data. It is essential in an era when digitalization is progressing, consumers' ways of thinking are becoming more diverse, and businesses are evolving speedily. Taking advantage of being in this position, we will continue to turn the information that we possess into value to become a company which can continue to impact society in good ways.

Increasing the number of employees who enjoy working

Our company does not have a physical plant. The services that we provide were all created by people. I think that unless we ourselves, the people who create services and value, enjoy working, our output will not be good and customers will sense that. If we are going to do our jobs anyway, customers and co-workers would prefer to deal with people who enjoy working. While views of work and values have been changing, I think that increasing the number of employees who have job satisfaction and find work enjoyable is also important for impacting society in good ways. I would like to increase the number of employees who enjoy working.

Listening to the opinions of the people working on the front lines and leveraging these opinions when making decisions

Going forward, I will implement various reforms and improvements as the top manager of the Group. When working on these, I would like to value the opinions of the people working on the front lines. While people in management positions consider measures based on various information and analyses, I believe that many answers to the roots of problems are found on the front lines. When we take measures to solve an issue or problem, we must ask the people on the front lines what the root of the problem is. If we do not, we may implement the wrong measures. I have already begun to hold townhall meetings, and I plan to visit all of our offices in Japan and other countries. I would like to increase this dialogue with the people on the front lines, gain a good understanding of what is happening there, and use this information when making management decisions.

Aiming to increase net sales twofold and profit fourfold by 2030

We have announced our long-term vision, whose goal is 2030. The qualitative target is to continue to be a company that contributes to the realization of a convenient and affluent society free from social loss, and aim for business growth in proportion to our contribution to solving business and social issues. Society is undergoing a major change now. We will take the time like this as an opportunity, make investments, change our business style, and solve the issues that society and customers face. I put my passion into this message, that we should make a leap forward from the existing framework rather than following the same path as before. To do this, we need to change our mindset and think more deeply. I think that our mission is to function as our customers' business partner when they tell us their problems or request things from us, asking how they should respond to the changes of the times or telling us that to change they need evidence. The changes of the times are opportunities to demonstrate the value of data. We have the potential to achieve significant growth by translating opportunities into achievements. In numerical terms, I envision our achievement of net sales of 130.0 to 150.0 billion yen, which is about double the results in FY2022. (CAGR*1 at 10% to 12%), operating profit of 15.0 billion yen, which is four times higher than in FY2022, and return on equity (ROE) of 12% or higher. How should we seize this great opportunity and act while carefully thinking about what we should do? All of us at the INTAGE Group will work together to realize our desire to look ahead and continue growing.

Eliminating the invisible boundaries between Group companies

As I mentioned above, it is extremely difficult to achieve our long-term vision if we continue to follow the same path



we have been on. The key to the achievement of our long-term vision is the All INTAGE idea. Since we transitioned to a holding company structure, we have been increasing the things that we can do (our functions) and the number of colleagues that we have through M&A activities. To date, we have continued to develop the Group by ensuring the independence of the individual companies' functions and expanding their scale. However, to create new opportunities in these significantly changing times, greater comprehensive strength will be necessary because the key points for businesses that we handle are complicated. At present, as many as 28 operating companies belong to the INTAGE Group. Each company has been aiming to achieve its own growth. To compete on comprehensive strength, however, I think we should also consider changing the entire organization so that we can cooperate in businesses and functions beyond the boundaries between companies. I think that having all of the Group companies work as one to solve the issues faced by customers is a major task that we have to do to achieve our vision, and how we do this is an issue that we should address. I will eliminate the invisible boundaries between Group companies and build a structure that enables them to work as one and a culture that promotes this.

Accelerating growth through synergy with DOCOMO

Another key to our achievement of the vision is the synergy with NTT DOCOMO, INC. (hereafter, "DOCOMO"), with which we have formed a capital and business alliance. Before the increase in the diversity of consumers' values and lifestyles, companies' marketing activities were based on rough targeting and produced a certain degree of effect through what is called mass advertising. However, because the diversity of consumers has increased, it is becoming difficult to respond to their needs using conventional methods. Our collaborations with DOCOMO have the potential to overcome this issue. DOCOMO has a membership base of more than approximately 100 million people.*2 We will create value from data obtained from one of the largest membership bases in Japan, which will enable us to take approaches suited to the increasingly diverse values and lifestyles of consumers. We will be able to learn information on an individual basis, for example, that consumers with a specific profile may potentially purchase a specific product. This alone is a great evolution of marketing, but it is nothing more than saying to our customers that we have analyzed the data to this point, so the rest is up to them. This is not still helpful enough for customers. By teaming up with DOCOMO, we will have access to information about the purchasing behaviors of a huge number of consumers, which will enable us to provide them with highly satisfactory options in their daily purchasing activities and provide ads that they will not

find obnoxious. I believe that this will lead us to support consumers through our business and that this will eventually lead to the realization of a prosperous society of limitless possibilities, which is the INTAGE Group’s vision. In the medium to long term, we aim to serve our customers in the entire process from surveys to actual purchases, by targeting more than 100 million consumers. At the INTAGE Group, we already had a similar vision when we leaped forward from the research firm realm into new areas to achieve further growth. Through the business and capital alliance with DOCOMO, we have made strides towards the achievement of our vision. I think that the rest will depend on how far we can stretch our imagination and come up with ideas. Our members, who have a wealth of ideas, are excited to be free to handle this rich trove of data. We have already begun collaborating on new businesses. We have started operating new organizations that consist of tens of employees from both companies, including employees on loan to each other. Employees also have high hopes for the possibilities of the new themes and initiatives with DOCOMO.

Aiming for net sales of 15.0 billion yen or more through collaborations with DOCOMO

After we announced the alliance, the quality of our dialogue with our customers changed. Previously, the content of inquiries and consultations were limited to matters related to our business domains. After the announcement, however, the number of consultations about customers’ issues related to management and their businesses themselves began to increase. This change is very important. I believe it reflects customers’ expectation that the issues they have given up on addressing may be solved if they consult INTAGE. For us, this means increasing the number of opportunities to learn about the latest management issues and business challenges, and new ideas may emerge from our discussions with our customers.

Regarding the impact of the collaborations with DOCOMO on our financial results, we aim to have created businesses to increase net sales 15.0 billion yen or more and increase operating profit 2.0 billion yen or more by FY2027.

The environment will change and further facilitate investment.

Our team-up with DOCOMO has great potential to create completely new things. When considering our growth in the future, we find that there are some parts missing. There is the idea that we should fill these voids on our own. However, there are many companies that excel in specific areas. Having these companies join us will naturally emerge as an option. In the last several years, we have been investing in the renewal of the Nationwide Consumer Panel Survey (SCI), our core product, and in the development of the CX Marketing Platform*3 that utilizes SCI. At present, the old and new version of the SCI are being operated in parallel. In the fiscal year ending June 30, 2026, however, only the

new SCI will be in operation, which means lower costs. Therefore, I expect that the new environment will further facilitate investments.

Focusing on profit-oriented management

In the fiscal year ended June 2024, net sales were 63,279 million yen, operating profit stood at 3,289 million yen, and ROE was 7.8%. While net sales increased 1,892 million yen, profit decreased 495 million yen, mainly reflecting the posting of expenses related to the capital and business alliance with DOCOMO in addition to increases in personnel expenses and investments. In the fiscal year ending June 30, 2025, we would like to achieve the growth of sales and profit by advancing measures, such as the reinforcement of the integrated production and sales system, the increase of prices so that they are appropriate for the value of our services and the development of businesses with DOCOMO, and by focusing on profit-oriented management.

(Millions of yen)

	FY2023/6 (actual)	FY2024/6 (actual)	FY2025/6 (forecast)
Net sales	61,387	63,279	68,000
Operating profit	3,785	3,289	3,800

Please look forward to the future activities of the INTAGE Group.

I have been engaged in businesses in the area of healthcare for 30 years. I believe what makes us unique is that we work in the fields of both healthcare and consumer goods and services. Many people have a desire to remain in good health, although the strength of the desire may be different between the different generations of people. The movement of people, the sale of goods and the vitality of the economy are based on good health. Actually, these two fields are closely related to each other. Japan is a global forerunner in terms of the aging of society, and the needs emerging here are highly likely to later emerge in many other countries in the same way. The data we will accumulate in Japan and our insight into this data have the potential to be useful around the world. While continuing to be committed to impacting society, profit, and enjoyment, and continuing to sincerely work on technologies and data, I will change our business style by sensing global trends. How will the world change? Please also keep this in mind as you look forward to our future activities.

*1 CAGR: Compound Annual Growth Rate. It is the geometric mean of the annual net sales and other growth rates in a certain period. It indicates how much growth was achieved on average in each year of a specific period.

*2 As of September 2024

*3 CX Marketing Platform: During the INTAGE Group’s 14th Medium-Term Management Plan, we have been working to redesign the SCI (Nationwide Consumer Panel Survey), one of the panel surveys that are the core products of the INTAGE Group. By harnessing the revamped data using data from the CODE shopping app operated by Research and Innovation Co., Ltd., we are building a platform that will help our corporate clients improve the customer experience (CX).